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# Unemployment rate at 3.7 per cent in August

Media Release

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**i** Source: [Labour Force, Australia, August 2023](#)

The unemployment rate remained at 3.7 per cent in August (seasonally adjusted), according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics, said: "with employment increasing by around 65,000 people and the number of unemployed only dropping slightly, by around 3,000 people, the unemployment rate remained at 3.7 per cent in August.

"The large increase in employment in August came after a small drop in July, around the school holiday period. Looking over the past two months, the average employment growth was around 32,000 people per month, which is similar to the average growth over the past year.

"The employment-to-population ratio rose 0.1 percentage point to 64.5 per cent, around the record high in June. The participation rate also increased, up to a record high of 67.0 per cent in August, which, together with the high employment-to-population ratio, continues to reflect a tight labour market," Mr Jarvis said.

## Employment and hours worked

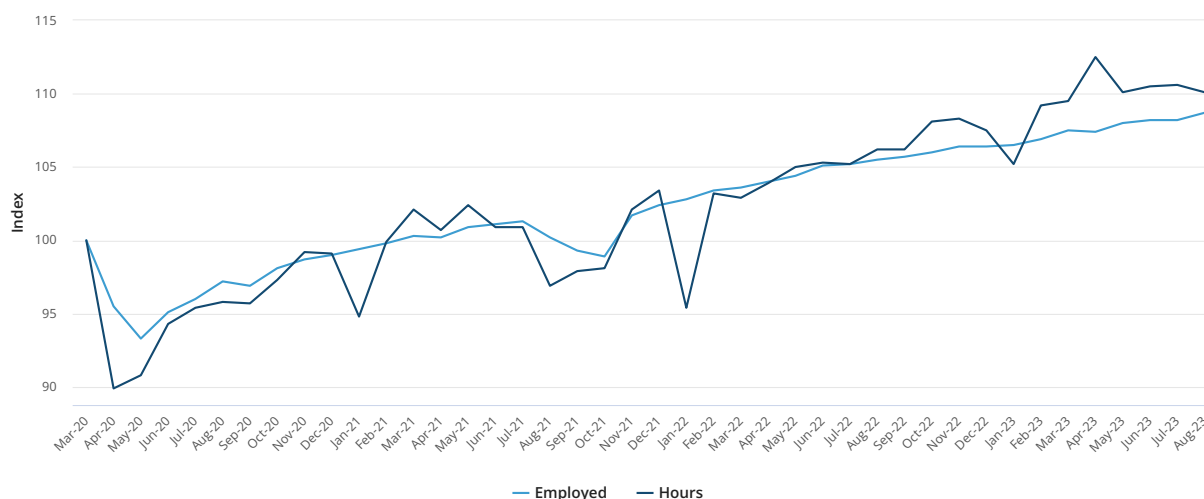
Monthly hours worked fell 0.5 per cent in August 2023 (following the increase of 0.2 per cent in July), while employment rose by 0.5 per cent.

Despite a small fall in August, hours worked were 3.7 per cent higher than August 2022, continuing to reflect faster growth than the 3.0 per cent annual increase in employment.

"The strength in hours worked over the past year, relative to employment growth, shows the demand for labour is continuing to be met by people working more hours, to some extent,"

Mr Jarvis said.

## Seasonally adjusted employment and hours worked, indexed to March 2020



Source: Labour Force, Australia, Tables 1 and 19

## Underemployment and underutilisation

The underemployment rate rose 0.2 percentage points to 6.6 per cent in August, 0.6 percentage points higher than August 2022, but was still around 2.2 percentage points lower than before the pandemic.

The underutilisation rate, which combines the unemployment and underemployment rates, rose 0.1 percentage point to 10.2 per cent. This was 0.8 percentage points higher than last August, and 3.7 percentage points lower than March 2020.

“While we have seen the underutilisation rate increase over the past year, from the recent low of 9.3 per cent in October 2022 up to 10.2 per cent, it is still well below the 14.0 per cent in March 2020. Before the pandemic the last time we saw it this low was in September 2008,

" Mr Jarvis said.

## Underlying trend data

The trend unemployment rate remained at 3.7 per cent, in line with the updated figure for July.

Employment grew by around 28,000 people (0.2 per cent) and hours worked rose 0.2 per cent in August, in trend terms. Over the past year, employment has increased by 2.9 per cent and hours worked by 4.6 per cent.

The employment-to-population ratio remained near the historical high of 64.5 per cent, for the fifth month in a row, in line with July's updated figure.

The participation rate rose less than 0.1 percentage point to a record high 67.0 per cent.

The underemployment rate rose less than 0.1 percentage point to 6.5 per cent, its highest level in 18 months.

"In trend terms, all key indicators still point to a tight labour market," Mr Jarvis said.

Further information, including regional labour market information, will be available in the upcoming August 2023 issue of Labour Force, Australia, Detailed, due for release on Thursday 21 September 2023.

The ABS would like to thank Australians for their continued support in responding to our surveys.

## Media notes

- The August survey reference period was from 30 July to 12 August 2023.
- The September survey reference period is from 3 September to 16 September 2023.
- Access official, high-resolution images of Bjorn Jarvis and other ABS media spokespeople from our new [image library \(/media-centre/abs-image-library\)](#).
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
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